



(Unaudited)
**Quarterly
Report**
March 2013



NIMIR INDUSTRIAL CHEMICALS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Abdul Jalil Jamil - Chairman
Mr. Zafar Mahmood - Chief Executive Officer
Mr. Khalid Mumtaz Qazi
Mr. Umar Iqbal
Mr. Muhammad Sarwar Khawaja
Sheikh Amar Hameed
Mr. Saeed-uz-Zaman
Mr. Muhammad Yahya Khan
Mr. Khalid Siddiq Tirmizey
(Nominee The Bank of Punjab)
Mr. Abdul Jaleel Shaikh
(Nominee Pak Brunei Investment
Company Limited)

Chief Financial Officer

Mr. Aamir Jamil

Company Secretary

Mr. Muhammad Inam-ur-Rahim

Internal Auditor

Mr. Arshad Mahmood

Audit Committee

Mr. Muhammad Sarwar Khawaja - Chairman
Mr. Saeed-uz-Zaman
Mr. Abdul Jaleel Shaikh

Human Resource & Remuneration Committee

Mr. Saeed-uz-Zaman - Chairman
Sheikh Amar Hameed
Mr. Zafar Mahmood

Bankers

The Bank of Punjab
National Bank of Pakistan
Pak Brunei Investment Company Limited
Standard Chartered Bank (Pakistan) Limited.

Shares' Registrar

Corplink (Pvt.) Limited
Wings Arcade, 1-K (Commercial)
Model Town Lahore.
Tel: +92 42 35916714 & 19
Fax: +92 42 35869037

Registered Office / Factory

14.8 km., Sheikhpura-Faisalabad Road,
Mouza Bhikhi, District Sheikhpura.
Tel: +92 56 3883001-7
Fax: +92 56 3883010
Cell: +92 301-8483950

Lahore Office

12-B, New Muslim Town,
Lahore, Pakistan
Tel: +92 42 35926090-93
Fax: +92 42 35926099

Web Site

www.nimir.com.pk

DIRECTORS' REPORT

We take pleasure in presenting unaudited financial statements of the Company for third quarter and nine months period ended March 31, 2013.

The Company continued the momentum of improvement and achieved promising results during the nine months period ended March 31, 2013 as reflected in the following synopsis:

	Nine months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousands)	
Sales Volume in tons	37,532	33,029
Sales Value	2,152,428	1,968,215
Gross Profit	323,175	267,820
Net Profit before tax	131,780	98,161

We made investments on increasing plant capacities through de-bottlenecking and up gradation of certain equipment, which resulted in yielding 14% additional volume during the period under review. International prices of oleo chemicals and the feedstocks remained lower than the last year, yet net sale value increased by 9% over last year.

The management took initiatives to improve the operating efficiencies. These include installation of waste heat recovery boilers, taking measures to conserve energy, implementing comprehensive quality assurance system, reducing wastages and increasing yields. As a result of these measures, the gross profit increased from 13.6% in the last year to 15.0% of sales.

Total gross profit amount increased by Rs.55 million. The pre-tax profit showed increase to Rs.132 million during the period under review against Rs.98 million earned in the last year. Net profit, remained almost at the same level as of the last year due to provisioning of deferred tax.

The Company is aggressively pursuing the expansion of the oleo chemicals plant. It is expected that the expansion would be completed in the next financial year.

We are confident that with the blessing of Almighty and determined efforts of our staff and support of all the stakeholders, we shall close the year with encouraging bottom line, Insha Allah.

For and on behalf of the Board

Sheikhupura
April 15, 2013


 Chief Executive Officer

CONDENSED INTERIM BALANCE SHEET - UNAUDITED

AS AT 31 MARCH 2013

Note	Unaudited 31 March 2013	Audited 30 June 2012
(Rupees in thousands)		
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	980,574	947,829
Capital work in progress	106,021	106,024
	1,086,595	1,053,853
Long term deposits	16,219	13,690
Deferred tax asset	107,200	145,362
CURRENT ASSETS		
Stores, spares and loose tools	46,248	43,377
Stock in trade	198,857	163,176
Trade debts - Considered good - Unsecured	430,366	312,112
Loans and advances	32,244	11,340
Trade deposits and short term prepayments	6,029	5,608
Other receivables	28,319	7,037
Tax refund due from Government	79,122	138,350
Cash and bank balances	13,657	71,140
	834,842	752,140
TOTAL ASSETS	2,044,856	1,965,045
EQUITY AND LIABILITIES		
Authorized Capital		
290,000,000 (June 30, 2012: 290,000,000)	1,450,000	1,450,000
Ordinary Shares of Rs. 5/- each (June 30, 2012: Rs. 5/- each)		
Issued, subscribed and paid up capital		
221,181,093 (June 30, 2012: 221,181,093)	1,105,905	1,105,905
Ordinary Shares of Rs. 5/- each (June 30, 2012: Rs. 5/- each)		
Unappropriated profit	112,244	31,459
	1,218,149	1,137,364
NON CURRENT LIABILITIES		
Long term loans	147,000	196,000
Liabilities against assets subject to finance lease	9,624	4,840
Deferred Liabilities - Staff retirement benefits	34,689	30,000
CURRENT LIABILITIES		
Trade and other payable	137,386	133,128
Mark up accrued	8,396	5,109
Unclaimed dividend	688	688
Short term borrowings - Secured	407,345	360,810
Current maturity of long term loans	65,333	65,333
Current maturity of liabilities against assets subject to finance lease	4,122	3,635
Provision for taxation	12,124	28,138
	635,394	596,841
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	2,044,856	1,965,045

The annexed notes from 1 to 11 form an integral part to this condensed interim financial information.


 Chief Executive Officer


 Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE PERIOD ENDED 31 MARCH 2013

	Note	Nine months ended		Three months ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
		(Rupees in thousands)		(Rupees in thousands)	
Sales	9	2,152,428	1,968,215	723,291	668,525
Cost of sales	10	(1,829,253)	(1,700,395)	(599,659)	(584,027)
Gross profit		323,175	267,820	123,632	84,498
Distribution costs		(61,817)	(43,127)	(24,011)	(12,138)
Administrative expenses		(39,295)	(31,319)	(13,182)	(10,218)
Operating profit		222,063	193,374	86,439	62,142
Other expenses		(9,766)	(7,427)	(4,672)	(2,707)
Other income		3,685	6,044	1,729	2,487
Finance cost		(75,549)	(86,017)	(19,627)	(24,241)
Foreign exchange (loss)		(8,653)	(7,813)	(817)	(2,905)
Profit before taxation		131,780	98,161	63,052	34,776
Provision for taxation		(12,833)	(19,703)	(5,687)	(6,706)
Deferred taxation		(38,162)	-	(17,927)	-
Profit after taxation		80,785	78,458	39,438	28,070
Earnings per share - Basic (Rs.)		0.37	0.35	0.18	0.13

The annexed notes from 1 to 11 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

FOR THE PERIOD ENDED 31 MARCH 2013

	31 March 2013	31 March 2012
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	131,780	54,473
Adjustment for :		
Depreciation	57,799	51,314
(Gain)/Loss on disposal of property, plant and equipment	(329)	(478)
Finance cost	75,549	54,199
Foreign exchange loss on foreign liabilities	8,653	351
Foreign exchange loss on foreign Loan	-	1,539
Provision for doubtful debts	-	250
Provision for gratuity	5,400	5,310
	147,072	112,485
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	278,852	166,958
Decrease/(Increase) in current assets		
Stores and spares	(2,871)	3,319
Stock in trade	(35,681)	(108,525)
Trade debts	(118,254)	(98,625)
Loans and advances	(20,904)	24,716
Trade deposits and short term prepayments	(421)	(4,554)
Other receivables	(21,282)	1,917
	(199,413)	(181,752)
Increase/(Decrease) in current liabilities		
Trade and other payable	(4,395)	64,959
CASH GENERATED FROM OPERATIONS	75,044	50,165
Gratuity paid	(711)	(2,304)
Finance cost paid	(72,261)	(53,353)
Tax Refund/(Paid)	30,381	(37,899)
	(42,591)	(93,556)
NET CASH GENERATED FROM OPERATING ACTIVITIES	32,453	(43,391)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant & equipment- Net	(93,038)	(16,127)
Addition to capital work in progress	3	-
Sale proceeds of property, plant & equipment	2,822	1,363
Long term deposits	(2,529)	-
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(92,742)	(14,764)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances	46,535	104,539
Payment to long term loans	(49,000)	(22,224)
New Liabilities against assets subject to finance lease	8,816	-
Liabilities against assets subject to finance lease paid	(3,545)	(20,967)
NET CASH USED IN FINANCING ACTIVITIES	2,806	61,348
NET INCREASE IN CASH AND CASH EQUIVALENTS	(57,483)	3,193
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	71,140	3,892
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13,657	7,085

The annexed notes from 1 to 11 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE PERIOD ENDED 31 MARCH 2013

	Share Capital	Accumulated Loss	Total
	(Rupees in thousands)		
Balance as on 30 June 2011	1,105,905	(200,032)	905,873
Total comprehensive income for the six months ended 31 March 2012	–	78,458	78,458
Balance as on 31 March 2012	1,105,905	(121,574)	984,331
Balance as on 30 June 2012	1,105,905	31,459	1,137,364
Total comprehensive income for the nine months ended 31 March 2013	–	80,785	80,785
Balance as on 31 March 2013	1,105,905	112,244	1,218,149

The annexed notes from 1 to 11 form an integral part to this condensed interim financial information.



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE PERIOD ENDED 31 MARCH 2013

1. THE COMPANY AND ITS OPERATIONS

The Company is incorporated in Pakistan as public limited Company and its shares are listed on Karachi and Lahore stock exchanges. The registered office of the Company is situated at 14.8 KM, Sheikhpura-Faisalabad Road, Bhikhi, District Sheikhpura, Pakistan. The principal activity of the company is to manufacture and sale industrial chemicals.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information has been prepared in accordance with International Accounting Standard-34 " Interim Financial Reporting" as applicable in Pakistan.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2012.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2012.

4. TAXATION

Provision for taxation is estimated and these are subject to final adjustments in the annual audited financial statements.

5. ADDITIONS/DISPOSALS IN PROPERTY, PLANT AND EQUIPMENTS-AT COST

Followings are the additions and disposals in the fixed assets made for the nine months ended March 31, 2013:

	<u>Additions</u>	<u>Disposals</u>
	(Rupees in thousands)	
Land	3,025	-
Factory building	7,151	-
Plant & machinery	61,806	-
Equipments	3,009	-
Computers	3,068	-
Furniture & fixture	506	-
Vehicles-Leased	8,816	1,524
Vehicles-Owned	5,657	1,430
	<u>93,038</u>	<u>2,954</u>

6. LONG TERM LOANS

	<u>31-Mar-13</u>	<u>30-Jun-12</u>
	(Rupees in thousands)	
Balance as at	212,333	261,333
Current maturity	(65,333)	(65,333)
Balance	<u>147,000</u>	<u>196,000</u>

7. SHORT TERM LOANS -Secured

The aggregate facility of short term finances from commercial bank available at period end is Rs. 719 million (30 June 2012:Rs.821 million). The rate of mark up ranges from 1 month KIBOR + 30 bps per annum to 3 months and 6 months KIBOR + 275 bps per annum with no floor and no cap (30 June 2012: The rate of mark up ranges from 1 month KIBOR + 100 bps per annum to 3 months and 6 months KIBOR + 275 bps per annum with no floor and no cap.

The unutilized facility for opening letters of credit and for guarantees as at 31 March 2013 amounts to Rs.101 million (30 June 2012:Rs. 125 million) and Rs. 13.75 million (30 June 2012:Rs. 4 million), respectively.

8. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies since the last audited published financial statements, however the Company has made commitments in respect of letters of credit established for the import of raw materials amounting to Rs. 104 million (30 June 2012:Rs.66 million) and commitments in respect of letter of guarantee given to SNGPL amounting to Rs.76.682 million and Letter of guarantees given to Customs amounting to Rs 38 million (30 June 2012:Rs.65.68 million).

9. SALES

	Nine months ended		Three months ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in thousands)		(Rupees in thousands)	
Gross Sales	2,508,281	2,285,469	842,739	775,510
Less: Discount	10,152	2,170	3,258	100
Sales Tax	345,701	315,084	116,190	106,885
	355,853	317,254	119,448	106,985
Net Sales	<u>2,152,428</u>	<u>1,968,215</u>	<u>723,291</u>	<u>668,525</u>

10. COST OF SALES

Opening stock of finished goods	77,646	55,945	99,153	74,911
Cost of goods manufactured	1,832,046	1,682,011	580,945	546,677
	1,909,692	1,737,956	680,098	621,588
Less: closing stock of finished goods	80,439	37,561	80,439	37,561
	<u>1,829,253</u>	<u>1,700,395</u>	<u>599,659</u>	<u>584,027</u>

11. GENERAL

11.1 This interim condensed financial information was authorized for issue on April 15, 2013 by the Board of Directors of the Company.

11.2 The figures have been rounded off to the nearest thousand of Rupees.



Chief Executive Officer



Director

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